

**ILEC COMPANY A**  
**Access Rate Reductions and Restructure Mechanism**

LN	<b>Interstate - Impact of Access Rate Changes</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>
1	Plan Rates - Originating	\$4,274	\$4,060	\$3,857	\$3,664	\$3,481	\$3,307	\$3,142	\$2,985
2	-Terminating	\$11,071	\$11,071	\$7,663	\$4,256	\$848	\$605	\$362	\$119
3	Existing Rates - Originating	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274	\$4,274
4	- Terminating	\$11,071	\$11,071	\$11,071	\$11,071	\$11,071	\$11,071	\$11,071	\$11,071
5	Difference - Originating (LN5 = LN1 - LN3)	\$0	(\$214)	(\$417)	(\$610)	(\$793)	(\$967)	(\$1,132)	(\$1,289)
6	- Terminating (LN6 = LN2 - LN4)	\$0	\$0	(\$3,408)	(\$6,815)	(\$10,223)	(\$10,466)	(\$10,709)	(\$10,952)
7	<b>Interstate Rate Impact (LN7 = LN5 + LN6)</b>	<b>\$0</b>	<b>(\$214)</b>	<b>(\$3,824)</b>	<b>(\$7,425)</b>	<b>(\$11,016)</b>	<b>(\$11,433)</b>	<b>(\$11,841)</b>	<b>(\$12,242)</b>
<b>Intrastate - Impact of Access Rate Changes</b>									
8	Plan Rate Terminating	\$18,426	\$17,831	\$12,342	\$6,854	\$1,366	\$974	\$583	\$191
9	Existing Rate Terminating	\$19,021	\$19,021	\$19,021	\$19,021	\$19,021	\$19,021	\$19,021	\$19,021
10	<b>Difference (LN10 = LN8 - LN9)</b>	<b>(\$595)</b>	<b>(\$1,190)</b>	<b>(\$6,679)</b>	<b>(\$12,167)</b>	<b>(\$17,656)</b>	<b>(\$18,047)</b>	<b>(\$18,438)</b>	<b>(\$18,830)</b>
<b>Total Impact of Access Rate Changes</b>									
11	<b>Total Rate Impact (LN11 = LN7 + LN10)</b>	<b>(\$595)</b>	<b>(\$1,404)</b>	<b>(\$10,503)</b>	<b>(\$19,592)</b>	<b>(\$28,671)</b>	<b>(\$29,480)</b>	<b>(\$30,280)</b>	<b>(\$31,072)</b>
<b>Calculations of Net Restructure Mechanism</b>									
<b>Benchmark Adjustment</b>									
12	Local Rate	\$19.90	\$19.90	\$19.90	\$19.90	\$19.90	\$19.90	\$19.90	\$19.90
13	Existing SLC:	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50
14	State USF Surcharge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15	Total Rate: (LN15 = LNs 12 thru 14)	\$26.40	\$26.40	\$26.40	\$26.40	\$26.40	\$26.40	\$26.40	\$26.40
18	SLC Adjustment/Line/Mo.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
19	Access Lines	142	139	136	133	130	127	124	122
20	<b>Additional SLC Revenue (LN20 = LN18 x LN19 X 12)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
21	<b>Intrastate Earnings Test Adjustment</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
22	<b>Net Restructure Mechanism(LN22=LN11-LN20-LN21)</b>	<b>\$595</b>	<b>\$1,404</b>	<b>\$10,503</b>	<b>\$19,592</b>	<b>\$28,671</b>	<b>\$29,480</b>	<b>\$30,280</b>	<b>\$31,072</b>

\* Only applicable if the actual local rate on line 17 exceeds the benchmark rate on line 12.